

Message Text

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ACTION EB-08

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13 ISO-00
OIC-02 AGRE-00 COME-00 TRSE-00 STR-04 CIAE-00 INR-07
NSAE-00 SSO-00 INRE-00 SP-02 /080 W
-----261900Z 054913 /41

O R 261736Z JAN 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 9923

INFO AMEMBASSY ABIDJAN

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMEMBASSY GUATEMALA

AMEMBASSY MEXICO

AMEMBASSY SAN JOSE

AMCONSUL SAO PAULO

AMEMBASSY SAN SALVADOR

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

AMEMBASSY GUATEMALA

AMEMBASSY MEXICO

AMEMBASSY BRUSSELS

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USMISSION OECD PARIS

AMEMBASSY PARIS

USMISSION GENEVA

AMEMBASSY BERN

AMEMBASSY NAIROBI

AMEMBASSY TOKYO

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FOR: EB/TRP

E.O. 11652: N/A

TAGS: EPAP

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SUBJECT: COFFEE -- MEETING OF ICO EXECUTIVE BOARD,
JANUARY 24-25

REFERENCE: STATE 14118 (NOTAL)

1. BEGIN SUMMARY. THE EXECUTIVE BOARD OF THE INTER-
NATIONAL COFFEE ORGANIZATION (ICO) MET IN REGULAR SESSION

JANUARY 24-25' 1977, WITH THE RELATIVE CALM NATURE OF THE MEETING IN SHARP CONTRAST TO THE CIRCUS ATMOSPHERE CREATED BY PRESS AND TV COVERAGE IN THE ANTE-ROOMS. ALTHOUGH THE DRAFT AGENDA WAS CONFINED TO ROUTINE ITEMS, MUCH OF THE DISCUSSION CENTERED ON WHAT THE ICO COULD AND OUGHT TO DO ABOUT THE CURRENT COFFEE MARKET SITUATION. CONCLUDING, IN EFFECT, THAT THIS ROLE WAS INFORMATIONAL IN NATURE, AN AD HOC WORKING GROUO WAS ESTABLISHED (A) TO PREPARE AN EARLY RELEASE ON THE CURRENT SITUATION, (B) TO DRAFT TERMS OF REFERENCE FOR A LONGER TERM STUDY OF SUPPLY/DEMAND AND (C) TO MAKE RECOMMENDATIONS ON IMPROVING ROUTINE FLOW OF INFORMATION TO THE PUBLIC. THE BRAZIL /COLOMBIA SUGGESTION FOR A SPECIAL SESSION OF THE BOARD OR COUNCIL SEEMS TO HAVE BEEN PUT TO REST. END SUMMARY.

2. AT THE OPENING OF THE MEETING, BRAZIL (RAFFAELLI)' WITH PRIOR ARRANGEMENT WITH COLOMBIA (SANTOS) AND OAMCAF (GERVAIS KACOU), ASKED THAT THE MARKET SITUATION BE DISCUSSED BRIEFLY, "OUTSIDE THE AGENDA" AS THE FIRST ORDER OF BUSINESS. THIS WAS AGREED. BRAZIL THEN REFERR-ED TO THE BRAZIL-COLOMBIA PLAN FOR A SPECIAL MEETING OF THE EXECUTIVE BOARD, NOTING THAT AFTER CONSULTATIONS WITH OTHERS, BRAZIL HAD CONCLUDED THAT THE OBJECTIVES OF SUCH A MEETING COULD BE ACHIEVED BY AN IN-DEPTH STUDY OF THE PROBLEM. COLOMBIA SUPPORTED BRAZIL AND OAMCAF MADE A FORMAL PROPOSAL THAT "A MEDIUM TERM STUDY OF THE SUPPLY SITUATION" BE UNDERTAKEN.

3. AFTER CONSULTATIONS WITH THE BRAZILIAN AND COLOMBIAN LIMITED OFFICIAL USE

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DELEGATIONS, THE CONSUMERS PUT FORWARD A PROPOSAL, INCORPORATING PRODUCER IDEAS, WHICH FORMED THE BASIS OF THE DECISION ANNOUNCED IN THE BOARD'S PRESS RELEASE (SEPTTEL). ESSENTIALLY, THIS DECISION RECOGNIZED THAT THE ICO MIGHT PLAY A CONSTRUCTIVE ROLE BY PUBLISHING AS SOON AS POSSIBLE AUTHORITATIVE DATA ON THE CURRENT SUPPLY/DEMAND SITUATION, WHILE ENGAGING IN A MORE DETAILED STUDY OF PROSPECTS -- MOSTLY ON SUPPLY -- FOR THE FUTURE. A THIRD ELEMENT OF

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OIC-02 AGRE-00 COME-00 TRSE-00 CIAE-00 INR-07 NSAE-00
STR-04 INRE-00 SSO-00 SP-02 /080 W
-----261903Z 054938 /42

O R 261736Z JAN 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC IMMEDIATE 9924
INFO AMEMBASSY ABIDJAN
AMEMBASSY BOGOTA
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THE DECISION CONCERNED LOOKING INTO POSSIBLE IMPROVEMENTS
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IN THE FLOW OF INFORMATION TO THE PUBLIC ON AN ON-GOING
BASIS. FOR THE PURPOSE OF CARRYING OUT THE DECISION, AN
AD HOC WORKING GROUP WAS ESTABLISHED (U.S., U.K., SWEDEN,
AUSTRALIA, BRAZIL, COLOMBIA, OAMCAF, COSTA RICA).

4. COLOMBIA WAS PARTICULARLY ACTIVE DURING THE MEETING,
EMPHASIZING THE IMPORTANCE OF PRODUCTION POLICY (ARTICLE
50 OF THE AGREEMENT) FOR RATIONALIZING SUPPLY AND DEMAND

OVER THE LONG TERM. COLOMBIA TOUCHED ONLY LIGHTLY ON ANOTHER OF ITS THEMES, THAT OF ATTEMPTING TO "FREEZE" COFFEE PRICES; HOWEVER, IT GAVE NO DETAILS ABOUT WHAT COLOMBIA HAD IN MIND. BRAZIL WAS LARGELY LOW-KEY EXCEPT IN PROCEDURAL MATTERS. CANADA (BURNS AND MUSGROVE) -- NOT A MEMBER OF THE BOARD BUT ACTIVE IN CAUCUS -- WAS PARTICULARLY CONCERNED WITH THE IMAGE (OR LACK THEREOF) OF THE ICO IN THE PRESENT SITUATION. CANADA DID NOT SEEK A SPECIAL SESSION, BUT FELT STRONGLY THAT THE ORGANIZATION SHOULD PUBLISH A BACKGROUND STATEMENT ON THE CURRENT MARKET SITUATION WHICH COULD BE USED AS A BASE-MARK BY MEMBERS.

5. ROUTINE MATTERS CONSIDERED INCLUDED VARIOUS STATISTICAL REPORTS AND TENTATIVE APPROVAL OF REVISED RULES FOR THE VERIFICATION OF STOCKS. IN A MASTERLY MOVE, NEATLY SIDESTEPPING THE POTENTIALLY MESSY PROBLEM OF THE MEMBERSHIP STATUS OF TIMOR, THE EXECUTIVE DIRECTOR NOTED THAT SINCE THERE WAS NOTHING NEW TO REPORT ON THE SUBJECT, HE INTENDED TO STRIKE THE ITEM FROM THE AGENDA UNTIL SUCH TIME AS THERE WAS SOMETHING NEW TO CONSIDER. NO OBJECTIONS WERE RAISED.

6. THE MEETING SEEMS TO HAVE COME OUT ABOUT WHERE WE WANTED IT TO. THE ILL-CONCEIVED SUGGESTION FOR A SPECIAL, HIGH LEVEL MEETING OF THE EXECUTIVE BOARD HAS BEEN, AT LEAST FOR THE MOMENT, PUT TO REST. AT THE SAME TIME, THE ESTABLISHMENT OF THE AD HOC WORKING GROUP PROVIDES A LIMITED OFFICIAL USE

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SEMBLANCE OF RESPONSE TO UNSETTLED MARKET CONDITIONS. MOREOVER, FOCUS ON IMPROVING INFORMATION FLOW COULD PROVIDE A SOLUTION TO A LONG-STANDING PROBLEM OF PROVIDING ACCURATE INFORMATION TO THE PRESS ON A TIMELY BASIS, THEREBY LESSENING DISTORTIONS VIA SELF-SERVING LEAKS. ARMSTRONG

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Message Attributes

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Copy: SINGLE
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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